



General Assembly

Amendment

February Session, 2010

LCO No. 3949

SB0010703949SD0

Offered by:

SEN. LEBEAU, 3rd Dist.
REP. BERGER, 73rd Dist.
SEN. FRANTZ, 36th Dist.

SEN. KISSEL, 7th Dist.
REP. HORNISH, 62nd Dist.
REP. SAYERS, 60th Dist.

To: Subst. Senate Bill No. 107

File No. 189

Cal. No. 138

"AN ACT ESTABLISHING A BRADLEY DEVELOPMENT ZONE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2011*) There is established an
4 airport development zone, which is comprised of the following census
5 blocks as assigned on the effective date of this section in the towns of
6 Windsor Locks, Suffield, East Granby and Windsor:

7	090034701001022,	090034701003000,	090034701003001,
8	090034701003002,	090034701003003,	090034701003004,
9	090034701003005,	090034701003017,	090034701003018,
10	090034701003019,	090034701003020,	090034701003021,
11	090034701003025,	090034701003026,	090034735022009,
12	090034735022010,	090034735022011,	090034735022012,
13	090034735022013,	090034735025004,	090034735027000,
14	090034735029000,	090034735029001,	090034735029002,
15	090034735029003,	090034735029004,	090034735029006,

16	090034761009000,	090034761009010,	090034761009011,
17	090034761009012,	090034761009013,	090034762001023,
18	090034762001025,	090034762002009,	090034762002013,
19	090034763003004,	090034763009000,	090034763009001,
20	090034763009002,	090034763009003,	090034763009004,
21	090034763009005,	090034763009006,	090034763009007,
22	090034763009008,	090034763009009,	090034763009010,
23	090034763009011,	090034763009012,	090034763009013,
24	090034763009014,	090034763009015,	090034763009016,
25	090034763009017,	090034763009018,	090034763009020,
26	090034763009021,	090034763009022,	090034763009023,
27	090034763009024,	090034763009025,	090034763009026,
28	090034763009031,	090034763009033,	090034771014005,
29	090034771014011,	090034771014012,	090034771014013,
30	090034771014014,	090034771014017,	090034771014018,
31	090034771014019,	090034771014020,	090034771023025,
32	090034771023026,	090034771023027,	090034771023036,
33	090034701003006,	090034701003022,	090034701003023,
34	090034701005000,	090034761001039,	090034763009028.

35 Sec. 2. Subdivision (59) of section 12-81 of the 2010 supplement to
36 the general statutes is repealed and the following is substituted in lieu
37 thereof (*Effective October 1, 2011, and applicable to assessment years*
38 *commencing on or after October 1, 2012*):

39 (59) (a) Any manufacturing facility, as defined in section 32-9p, as
40 amended by this act, acquired, constructed, substantially renovated or
41 expanded on or after July 1, 1978, in a distressed municipality, as
42 defined in said section, [or] in a targeted investment community, as
43 defined in section 32-222, [or] in an enterprise zone designated
44 pursuant to section 32-70 or in an airport development zone
45 established pursuant to section 1 of this act and for which an eligibility
46 certificate has been issued by the Department of Economic and
47 Community Development, and any manufacturing plant designated
48 by the Commissioner of Economic and Community Development
49 under subsection (a) of section 32-75c as follows: To the extent of
50 eighty per cent of its valuation for purposes of assessment in each of
51 the five full assessment years following the assessment year in which

52 the acquisition, construction, renovation or expansion of the
53 manufacturing facility is completed, except that a manufacturing
54 facility having a standard industrial classification code of 2833 or 2834
55 and having at least one thousand full-time employees, as defined in
56 subsection (f) of section 32-9j, shall be eligible to have the assessment
57 period extended for five additional years upon approval of the
58 commissioner, in accordance with all applicable regulations, provided
59 such full-time employees have not been relocated from another facility
60 in the state operated by the same eligible applicant;

61 (b) Any service facility, as defined in section 32-9p, as amended by
62 this act, acquired, constructed, substantially renovated or expanded on
63 or after July 1, 1996, and for which an eligibility certificate has been
64 issued by the Department of Economic and Community Development,
65 as follows: (i) In the case of an investment of twenty million dollars or
66 more but not more than thirty-nine million dollars in the service
67 facility, to the extent of forty per cent of its valuation for purposes of
68 assessment in each of the five full assessment years following the
69 assessment year in which the acquisition, construction, renovation or
70 expansion of the service facility is completed; (ii) in the case of an
71 investment of more than thirty-nine million dollars but not more than
72 fifty-nine million dollars in the service facility, to the extent of fifty per
73 cent of its valuation for purposes of assessment in each of the five full
74 assessment years following the assessment year in which the
75 acquisition, construction, renovation or expansion of the service
76 facility is completed; (iii) in the case of an investment of more than
77 fifty-nine million dollars but not more than seventy-nine million
78 dollars in the service facility, to the extent of sixty per cent of its
79 valuation for purposes of assessment in each of the five full assessment
80 years following the assessment year in which the acquisition,
81 construction, renovation or expansion of the service facility is
82 completed; (iv) in the case of an investment of more than seventy-nine
83 million dollars but not more than ninety million dollars in the service
84 facility, to the extent of seventy per cent of its valuation for purposes of
85 assessment in each of the five full assessment years following the

86 assessment year in which the acquisition, construction, renovation or
87 expansion of the service facility is completed; or (v) in the case of an
88 investment of more than ninety million dollars in the service facility, to
89 the extent of eighty per cent of its valuation for purposes of assessment
90 in each of the five full assessment years following the assessment year
91 in which the acquisition, construction, renovation or expansion of the
92 service facility is completed, except that any financial institution, as
93 defined in section 12-217u, having at least four thousand qualified
94 employees, as determined in accordance with an agreement pursuant
95 to subdivision (3) of subsection (n) of section 12-217u, shall be eligible
96 to have the assessment period extended for five additional years upon
97 approval of the commissioner, in accordance with all applicable
98 regulations, provided such full-time employees have not been
99 relocated from another facility in the state operated by the same
100 eligible applicant. In no event shall the definition of qualified
101 employee be more favorable to the employer than the definition
102 provided in section 12-217u;

103 (c) The completion date of a manufacturing facility, manufacturing
104 plant or a service facility will be determined by the Department of
105 Economic and Community Development taking into account the
106 issuance of occupancy certificates and such other factors as it deems
107 relevant. In the case of a manufacturing facility, manufacturing plant
108 or a service facility which consists of a constructed, renovated or
109 expanded portion of an existing plant, the assessed valuation of the
110 facility or manufacturing plant is the difference between the assessed
111 valuation of the plant prior to its being improved and the assessed
112 valuation of the plant upon completion of the improvements. In the
113 case of a manufacturing facility, manufacturing plant or a service
114 facility which consists of an acquired portion of an existing plant, the
115 assessed valuation of the facility or manufacturing plant is the assessed
116 valuation of the portion acquired. This exemption shall be applicable
117 during each such assessment year regardless of any change in the
118 ownership or occupancy of the facility or manufacturing plant. If
119 during any such assessment year, however, any facility for which an

120 eligibility certificate has been issued ceases to qualify as a
121 manufacturing facility, manufacturing plant or a service facility, the
122 entitlement to the exemption allowed by this subdivision shall
123 terminate for the assessment year following the date on which the
124 qualification ceases, and there shall not be a pro rata application of the
125 exemption. Any person who desires to claim the exemption provided
126 in this subdivision shall file annually with the assessor or board of
127 assessors in the distressed municipality, targeted investment
128 community, [or] enterprise zone designated pursuant to section 32-70
129 or in the town within the airport development zone established
130 pursuant to section 1 of this act in which the manufacturing facility or
131 service facility is located, on or before the first day of November,
132 written application claiming such exemption on a form prescribed by
133 the Secretary of the Office of Policy and Management. Failure to file
134 such application in this manner and form within the time limit
135 prescribed shall constitute a waiver of the right to such exemption for
136 such assessment year, unless an extension of time is allowed pursuant
137 to section 12-81k, and upon payment of the required fee for late filing;

138 Sec. 3. Subdivision (60) of section 12-81 of the 2010 supplement to
139 the general statutes is repealed and the following is substituted in lieu
140 thereof (*Effective October 1, 2011, and applicable to assessment years*
141 *commencing on or after October 1, 2012*):

142 (60) (a) (1) Machinery and equipment which represents an addition
143 to the assessment or grand list of the municipality in which this
144 exemption is claimed and is installed in any manufacturing facility, as
145 defined in section 32-9p, as amended by this act, which facility is or
146 has been constructed, or substantially renovated or expanded on or
147 after July 1, 1978, in a distressed municipality, [or] targeted investment
148 community, [or] enterprise zone designated pursuant to section 32-70
149 or in an airport development zone established pursuant to section 1 of
150 this act and for which an eligibility certificate has been issued by the
151 Department of Economic and Community Development, concurrently
152 with and directly attributable to such construction, renovation or
153 expansion, (2) machinery and equipment which represents an addition

154 to the assessment or grand list of the municipality in which this
155 exemption is claimed and is installed, or machinery and equipment
156 existing, in any manufacturing facility, as defined in section 32-9p, as
157 amended by this act, which facility is or has been acquired on or after
158 July 1, 1978, in a distressed municipality, targeted investment
159 community, [or] enterprise zone designated pursuant to section 32-70
160 or in an airport development zone established pursuant to section 1 of
161 this act and for which an eligibility certificate has been issued by the
162 Department of Economic and Community Development, and (3)
163 machinery and equipment acquired and installed on or after October 1,
164 1986, in a manufacturing facility that is or has at one time been
165 certified as eligible for the exemption under this subparagraph in
166 accordance with section 32-9r, and which continues to be used for
167 manufacturing purposes, provided such machinery and equipment is
168 installed in conjunction with an expansion program that satisfies the
169 requirements for a manufacturing facility, as defined in section 32-9p,
170 as amended by this act, and is contiguous to and represents an increase
171 in square feet of floor space of not less than fifty per cent of the floor
172 space in the certified manufacturing facility, as follows: To the extent
173 of eighty per cent of its valuation for purposes of assessment in each of
174 the five full assessment years for which the manufacturing facility in
175 which it is installed qualifies for an exemption under subdivision (59)
176 of this section, except that a facility having a code classification 2833 or
177 2834 in the Standard Industrial Code Classification Manual, United
178 States Office of Management and Budget, 1987 edition, wherein at least
179 one thousand new full-time employees, as defined in subsection (f) of
180 section 32-9j, are employed, shall be eligible to have the assessment
181 period under this subdivision extended for five additional years upon
182 approval of the commissioner, provided the commissioner approves
183 an extension of the assessment period under subdivision (59) of this
184 section for said facility;

185 (b) (1) Machinery and equipment which represents an addition to
186 the assessment or grand list of the municipality in which this
187 exemption is claimed and is installed in any service facility, as defined

188 in section 32-9p, as amended by this act, which facility is or has been
189 constructed, or substantially renovated or expanded on or after July 1,
190 1996, and for which an eligibility certificate has been issued by the
191 Department of Economic and Community Development, concurrently
192 with and directly attributable to such construction, renovation or
193 expansion, (2) machinery and equipment which represents an addition
194 to the assessment or grand list of the municipality in which this
195 exemption is claimed and is installed, or machinery and equipment
196 existing, in any service facility, as defined in section 32-9p, as amended
197 by this act, which facility is or has been acquired on or after July 1,
198 1996, and for which an eligibility certificate has been issued by the
199 department, and (3) machinery and equipment acquired and installed
200 on or after July 1, 1996, in a service facility that is or has at one time
201 been certified as eligible for the exemption under this subparagraph in
202 accordance with section 32-9r and which continues to be used for
203 service purposes, provided such machinery and equipment is installed
204 in conjunction with an expansion program that satisfies the
205 requirements for a service facility, as defined in section 32-9p, as
206 amended by this act, and is contiguous to and represents an increase in
207 square feet of floor space of not less than fifty per cent of the floor
208 space in the certified service facility, as follows: (i) In the case of an
209 investment of twenty million dollars or more but not more than thirty-
210 nine million dollars in the service facility, to the extent of forty per cent
211 of its valuation for purposes of assessment in each of the five full
212 assessment years for which the service facility in which it is installed
213 qualifies for an exemption under subdivision (59) of this section; (ii) in
214 the case of an investment of more than thirty-nine million dollars but
215 not more than fifty-nine million dollars in the service facility, to the
216 extent of fifty per cent of its valuation for purposes of assessment in
217 each of the five full assessment years for which the service facility in
218 which it is installed qualifies for an exemption under subdivision (59)
219 of this section; (iii) in the case of an investment of more than fifty-nine
220 million dollars but not more than seventy-nine million dollars in the
221 service facility, to the extent of sixty per cent of its valuation for
222 purposes of assessment in each of the five full assessment years for

223 which the service facility in which it is installed qualifies for an
224 exemption under subdivision (59) of this section; (iv) in the case of an
225 investment of more than seventy-nine million dollars but not more
226 than ninety million dollars in the service facility, to the extent of
227 seventy per cent of its valuation for purposes of assessment in each of
228 the five full assessment years for which the service facility in which it
229 is installed qualifies for an exemption under subdivision (59) of this
230 section; or (v) in the case of an investment of more than ninety million
231 dollars in the service facility, to the extent of eighty per cent of its
232 valuation for purposes of assessment in each of the five full assessment
233 years for which the service facility in which it is installed qualifies for
234 an exemption under subdivision (59) of this section, except that any
235 financial institution, as defined in section 12-217u, having at least four
236 thousand qualified employees, as determined in accordance with an
237 agreement pursuant to subdivision (3) of subsection (n) of section 12-
238 217u, shall be eligible to have the assessment period extended for five
239 additional years upon approval of the commissioner, in accordance
240 with all applicable regulations, provided such full-time employees
241 have not been relocated from another facility in the state operated by
242 the same eligible applicant. In no event shall the definition of qualified
243 employee be more favorable to the employer than the definition
244 provided in section 12-217u;

245 (c) This exemption shall terminate for the assessment year next
246 following if the manufacturing facility or service facility in which such
247 machinery and equipment is installed no longer qualifies for an
248 exemption under said subdivision (59), and there shall not be a pro
249 rata application of the exemption of such machinery and equipment in
250 the assessment year of such termination. Any person who desires to
251 claim the exemption provided in this subdivision shall file annually
252 with the assessor or board of assessors in the distressed municipality,
253 targeted investment community, [or] enterprise zone designated
254 pursuant to section 32-70 or the town in the airport development zone
255 established pursuant to section 1 of this act in which the
256 manufacturing facility or service facility is located, on or before the

257 first day of November, written application claiming such exemption on
258 a form prescribed by the Secretary of the Office of Policy and
259 Management. Failure to file such application in this manner and form
260 within the time limit prescribed shall constitute a waiver of the right to
261 such exemption for such assessment year, unless an extension of time
262 is allowed pursuant to section 12-81k, and upon payment of the
263 required fee for late filing. This exemption shall not apply to rolling
264 stock;

265 Sec. 4. Section 12-217e of the general statutes is repealed and the
266 following is substituted in lieu thereof (*Effective October 1, 2011, and*
267 *applicable to income years commencing on or after January 1, 2013*):

268 (a) There shall be allowed as a credit against the tax imposed by this
269 chapter an amount equal to twenty-five per cent of that portion of such
270 tax which is allocable to any manufacturing facility, provided, for any
271 such facility which is located in an enterprise zone designated
272 pursuant to section 32-70 or in a municipality with an entertainment
273 district designated under section 32-76 or established under section 2
274 of public act 93-311 and which became eligible as a manufacturing
275 facility after the designation of such zone and for which not less than
276 one hundred fifty full-time employees or thirty per cent of the full-time
277 employment positions directly attributable to the manufacturing
278 facility were, during the last quarter of the income year of the
279 taxpayer, held by employees of the taxpayer who at the time of
280 employment were (1) residents of such zone, or (2) residents of such
281 municipality and eligible for training under the Federal
282 Comprehensive Employment Training Act or any other training
283 program that may replace the Comprehensive Employment Training
284 Act, a credit of fifty per cent shall be allowed. A position is directly
285 attributable to the manufacturing facility if: (A) The work is performed
286 or the base of operations is at the facility; (B) the position did not exist
287 prior to the construction, renovation, expansion or acquisition of the
288 facility; and (C) but for the construction, renovation, expansion or
289 acquisition of the facility, the position would not have existed,
290 provided nothing in this section shall preclude a position from being

291 considered directly attributable to a manufacturing facility if such
292 position formerly existed in an eligible manufacturing facility in the
293 same municipality under section 32-9, as amended by this act. For
294 income years commencing on and after January 1, 2012, the credit
295 under this section for that portion of the tax imposed by this chapter,
296 which is allocable to any manufacturing facility shall be available
297 under the same terms and conditions to that portion of such tax which
298 is allocable to an eligible facility. For purposes of this section, "eligible
299 facility" means any facility described in subparagraph (D) of
300 subdivision (2) of subsection (d) of section 32-9p, as amended by this
301 act.

302 (b) There shall be allowed as a credit against the tax imposed by this
303 chapter an amount equal to the following percentage of that portion of
304 such tax which is allocable to any service facility: (1) Fifteen per cent, if
305 there are three hundred or more but not more than five hundred
306 ninety-nine new employees working at such facility; (2) twenty per
307 cent if there are six hundred or more but not more than eight hundred
308 ninety-nine new employees working at such facility; (3) twenty-five
309 per cent, if there are nine hundred or more but not more than one
310 thousand one hundred ninety-nine new employees working at such
311 facility; (4) thirty per cent if there are one thousand two hundred or
312 more but not more than one thousand four hundred ninety-nine new
313 employees working at such facility; (5) forty per cent, if there are one
314 thousand five hundred or more but not more than one thousand nine
315 hundred ninety-nine new employees working at such facility; or (6)
316 fifty per cent if there are two thousand or more new employees
317 working at such facility. As used in this subsection: (A) "New
318 employee" means a person hired by a taxpayer to fill a position for a
319 new job or a person shifted from an existing location of the taxpayer
320 outside this state to a service facility in this state, provided (i) in no
321 case shall the total number of new employees allowed for purposes of
322 this credit exceed the total increase in the taxpayer's employment in
323 this state, which increase shall be the difference between (I) the
324 number of employees employed by the taxpayer in this state at the

325 time of application to the Commissioner of Revenue Services for such
326 credit plus the number of new employees who would be eligible for
327 inclusion under the credit allowed under this subsection without
328 regard to this calculation, and (II) the highest number of employees
329 employed by the taxpayer in this state in the year preceding the
330 taxpayer's application to the Commissioner of Revenue Services for
331 such credit, and (ii) a person shall be deemed to be a "new employee"
332 only if such person's duties in connection with the operation of the
333 facility are on a regular, full-time or equivalent or full-time and
334 permanent basis; and (B) "new job" means a job that did not exist in the
335 business of a taxpayer in this state prior to the taxpayer's application to
336 the Commissioner of Revenue Services for such credit and that is filled
337 by a new employee, but does not include a job created when an
338 employee is shifted from an existing location of the taxpayer in this
339 state to a service facility.

340 (c) The portion of such tax which is allocable to such a
341 manufacturing facility, [or] service facility or eligible facility shall be
342 determined by multiplying such tax by a fraction computed as the
343 simple arithmetical mean of the following fractions: First, a fraction the
344 numerator of which is the average monthly net book value in the
345 income year of the manufacturing facility, [or] service facility or
346 eligible facility, and machinery and equipment acquired for and
347 installed in the manufacturing facility, [or] service facility or eligible
348 facility, without deduction on account of any encumbrance thereon, or
349 if rented to the taxpayer, the value of the manufacturing facility, [or]
350 service facility or eligible facility, and machinery and equipment
351 acquired for and installed in the manufacturing facility, [or] service
352 facility or eligible facility, computed by multiplying the gross rents
353 payable by the taxpayer for the manufacturing facility, [or] service
354 facility or eligible facility, and such machinery and equipment during
355 the income year or period by eight, and the denominator of which is
356 the sum of the average monthly net book value of all real property and
357 machinery and equipment held and owned by the taxpayer in the
358 state, without deduction on account of any encumbrance thereon and

the value of all real property and machinery and equipment rented to the taxpayer in the state, computed by multiplying the gross rents payable during the income year by eight; and second, a fraction the numerator of which is all wages, salaries and other compensation paid during the income year to employees of the taxpayer whose positions are directly attributable to the manufacturing facility, [or] service facility or eligible facility and the denominator of which is the wages, salaries and other compensation paid during the income year to all employees of the taxpayer in the state. An employee's position is directly so attributable if (1) the employee's service is performed or his base of operations is at the manufacturing facility, [or] service facility or eligible facility, (2) the position did not exist prior to the construction, renovation, expansion or acquisition of the manufacturing facility, [or] service facility or eligible facility, and (3) but for the construction, renovation, expansion or acquisition of the manufacturing facility, [or] service facility or eligible facility the position would not have existed. For the purposes of this subsection, "gross rents" means gross rents as defined in section 12-218.

(d) The credit allowed by this section may be claimed only by the initial occupant or occupants of the manufacturing facility, [or] service facility or eligible facility. The owner of the manufacturing facility, [or] service facility or eligible facility may not claim the credit unless the owner is also an occupant. The credit may first be claimed on the tax return for the taxpayer's income year which begins during the calendar year next succeeding the calendar year in which the taxpayer was issued an eligibility certificate, and may be claimed in each of the following nine income years. If within such period, however, any facility for which an eligibility certificate has been issued ceases to qualify as a manufacturing facility, [or] service facility or eligible facility, or any occupant of a manufacturing facility, [or] service facility or eligible facility ceases to be an occupant, the entitlement to the credit allowed by this section shall terminate in the income year in which the qualification or occupancy ceases, and there shall not be a pro rata application of the credit to such income year.

393 (e) Any subsequent occupant or occupants of a manufacturing
394 facility, [or] service facility or eligible facility for which an eligibility
395 certificate has been issued may claim the credit allowed by this section
396 in accordance with subsection (c) of this section but only after
397 obtaining a new eligibility certificate with respect to the manufacturing
398 facility, [or] service facility or eligible facility being occupied in the
399 manner provided in section 32-9r.

400 (f) The Commissioner of Economic and Community Development
401 shall, upon request, provide a copy of the applicable eligibility
402 certificate to the Commissioner of Revenue Services.

403 Sec. 5. Section 32-9p of the general statutes is repealed and the
404 following is substituted in lieu thereof (*Effective October 1, 2011*):

405 As used in subdivisions (59) and (60) of section 12-81, as amended
406 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
407 by this act, and 32-23p, the following words and terms have the
408 following meanings:

409 (a) "Area of high unemployment" means, as of the date of any final
410 and official determination by the authority or the department to
411 extend assistance under said sections, any municipality which is a
412 distressed municipality as defined in subsection (b) of this section, and
413 any other municipality in the state which in the calendar year
414 preceding such determination had a rate of unemployment which
415 exceeded one hundred ten per cent of the average rate of
416 unemployment in the state for the same calendar year, as determined
417 by the Labor Department, provided no such other municipality with
418 an unemployment rate of less than six per cent shall be an area of high
419 unemployment.

420 (b) "Distressed municipality" means, as of the date of the issuance of
421 an eligibility certificate, any municipality in the state which, according
422 to the United States Department of Housing and Urban Development
423 meets the necessary number of quantitative physical and economic
424 distress thresholds which are then applicable for eligibility for the

425 urban development action grant program under the Housing and
426 Community Development Act of 1977, as amended, or any town
427 within which is located an unconsolidated city or borough which
428 meets such distress thresholds. Any municipality which, at any time
429 subsequent to July 1, 1978, has met such thresholds but which at any
430 time thereafter fails to meet such thresholds, according to said
431 department, shall be deemed to be a distressed municipality for a
432 period of five years subsequent to the date of the determination that
433 such municipality fails to meet such thresholds, unless such
434 municipality elects to terminate its designation as a "distressed
435 municipality", by vote of its legislative body, not later than September
436 1, 1985, or not later than three months after receiving notification from
437 the commissioner that it no longer meets such thresholds, whichever is
438 later. In the event a distressed municipality elects to terminate its
439 designation, the municipality shall notify the commissioner and the
440 Secretary of the Office of Policy and Management in writing within
441 thirty days. In the event that the commissioner determines that
442 amendatory federal legislation or administrative regulation has
443 materially changed the distress thresholds thereby established,
444 "distressed municipality" shall mean any municipality in the state
445 which meets comparable thresholds of distress which are then
446 applicable in the areas of high unemployment and poverty, aging
447 housing stock and low or declining rates of growth in job creation,
448 population and per capita income as established by the commissioner,
449 consistent with the purposes of subdivisions (59) and (60) of section 12-
450 81, as amended by this act, and sections 12-217e, 32-9p to 32-9s,
451 inclusive, as amended by this act, and 32-23p, in regulations adopted
452 in accordance with chapter 54. For purposes of sections 32-9p to 32-9s,
453 inclusive, as amended by this act, "distressed municipality" shall also
454 mean any municipality adversely impacted by a major plant closing,
455 relocation or layoff, provided the eligibility of a municipality shall not
456 exceed two years from the date of such closing, relocation or layoff.
457 The Commissioner of Economic and Community Development shall
458 adopt regulations, in accordance with the provisions of chapter 54,
459 which define what constitutes a "major plant closing, relocation or

460 layoff" for purposes of sections 32-9p to 32-9s, inclusive, as amended
461 by this act. "Distressed municipality" shall also mean the portion of
462 any municipality which is eligible for designation as an enterprise
463 zone pursuant to subdivision (2) of subsection (b) of section 32-70 and
464 the portion of any municipality that contains the airport development
465 zone established pursuant to section 1 of this act.

466 (c) "Eligibility certificate" means a certificate issued by the
467 department pursuant to section 32-9r evidencing its determination that
468 a facility for which an application for assistance has been submitted
469 qualifies as a manufacturing facility and is eligible for assistance under
470 section 12-217e and subdivisions (59) and (60) of section 12-81, as
471 amended by this act.

472 (d) "Manufacturing facility" means any plant, building, other real
473 property improvement, or part thereof, (1) which (A) is constructed or
474 substantially renovated or expanded on or after July 1, 1978, in a
475 distressed municipality, a targeted investment community as defined
476 in section 32-222, [or] an enterprise zone designated pursuant to
477 section 32-70 or the airport development zone established pursuant to
478 section 1 of this act, or (B) is acquired on or after July 1, 1978, in a
479 distressed municipality, a targeted investment community as defined
480 in section 32-222, [or] an enterprise zone designated pursuant to said
481 section 32-70 or the airport development zone established pursuant to
482 section 1 of this act, by a business organization which is unrelated to
483 and unaffiliated with the seller, after having been idle for at least one
484 year prior to its acquisition and regardless of its previous use; (2)
485 which is to be used for the manufacturing, processing or assembling of
486 raw materials, parts or manufactured products, for research and
487 development facilities directly related to manufacturing, for the
488 significant servicing, overhauling or rebuilding of machinery and
489 equipment for industrial use, or, except as provided in this subsection,
490 for warehousing and distribution or, (A) if located in an enterprise
491 zone designated pursuant to said section 32-70, which is to be used by
492 an establishment, an auxiliary or an operating unit of an establishment
493 as such terms are defined in the Standard Industrial Classification

494 Manual, in the categories of depository institutions, nondepository
495 credit institutions, insurance carriers, holding or other investment
496 offices, business services, health services, fishing, hunting and
497 trapping, motor freight transportation and warehousing, water
498 transportation, transportation by air, transportation services, security
499 and commodity brokers, dealers, exchanges and services,
500 telemarketing or engineering, accounting, research, management and
501 related services including, but not limited to, management consulting
502 services from the Standard Industrial Classification Manual or in
503 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group
504 5621 in the North American Industrial Classification System, United
505 States Manual, United States Office of Management and Budget, 1997
506 edition, which establishment, auxiliary or operating unit shows a
507 strong performance in exporting goods and services, and as further
508 defined by the commissioner through regulations adopted under
509 chapter 54, or (B) if located in an enterprise zone designated pursuant
510 to said section 32-70, which is to be used by an establishment primarily
511 engaged in supplying goods or services in the fields of computer
512 hardware or software, computer networking, telecommunications or
513 communications, or (C) if located in a municipality with an
514 entertainment district designated under section 32-76 or established
515 under section 2 of public act 93-311, is to be used in the production of
516 entertainment products, including multimedia products, or as part of
517 the airing, display or provision of live entertainment for stage or
518 broadcast, including support services such as set manufacturers,
519 scenery makers, sound and video equipment providers and
520 manufacturers, stage and screen writers, providers of capital for the
521 entertainment industry and agents for talent, writers, producers and
522 music properties and technological infrastructure support including,
523 but not limited to, fiber optics, necessary to support multimedia and
524 other entertainment formats, except entertainment provided by or
525 shown at a gambling or gaming facility or a facility whose primary
526 business is the sale or serving of alcoholic beverages, or (D) if located
527 in the airport development zone established pursuant to section 1 of
528 this act, (i) which is to be used for the warehousing or motor freight

529 distribution of goods transported by aircraft to or from an airport
530 located in such zone, or (ii) in the opinion of the Commissioner of
531 Economic and Community Development, is dependent upon or
532 directly related to such airport and which, except as provided in this
533 subparagraph, is to be used for any other business service, including,
534 but not limited to, information technology but excluding any service
535 provided by an organization that has a North American Industrial
536 Classification Code of 441110 to 454390, inclusive, 532111, 532112 or
537 812930; and (3) for which the department has issued an eligibility
538 certificate in accordance with section 32-9r. In the case of facilities
539 which are acquired, the department may waive the requirement of one
540 year of idleness if it determines that, absent qualification as a
541 manufacturing facility under subdivisions (59) and (60) of section 12-
542 81, as amended by this act, and sections 12-217e, 32-9p to 32-9s,
543 inclusive, as amended by this act, and 32-23p, there is a high likelihood
544 that the facility will remain idle for one year. In the case of facilities
545 located in an enterprise zone designated pursuant to said section 32-70,
546 (A) the idleness requirement in subparagraph (B) of subdivision (1) of
547 this subsection, for business organizations which over the six months
548 preceding such acquisition have had an average total employment of
549 between six and nineteen employees, inclusive, shall be reduced to a
550 minimum of six months, and (B) the idleness requirement shall not
551 apply to business organizations with an average total employment of
552 five or fewer employees, provided no more than one eligibility
553 certificate shall be issued under this subparagraph for the same facility
554 within a three-year period. Of those facilities which are for
555 warehousing and distribution, only those which are newly constructed
556 or which represent an expansion of an existing facility qualify as
557 manufacturing facilities. In the event that only a portion of a plant is
558 acquired, constructed, renovated or expanded, only the portion
559 acquired, constructed, renovated or expanded constitutes the
560 manufacturing facility. A manufacturing facility which is leased may
561 for the purposes of subdivisions (59) and (60) of section 12-81, as
562 amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as
563 amended by this act, and 32-23p, be treated in the same manner as a

564 facility which is acquired if the provisions of the lease serve to further
565 the purposes of subdivisions (59) and (60) of section 12-81, as amended
566 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
567 by this act, and 32-23p and demonstrate a substantial, long-term
568 commitment by the occupant to use the manufacturing facility,
569 including a contract for lease for an initial minimum term of five years
570 with provisions for the extension of the lease at the request of the
571 lessee for an aggregate term which shall not be less than ten years, or
572 the right of the lessee to purchase the facility at any time after the
573 initial five-year term, or both. For a facility located in an enterprise
574 zone designated pursuant to said section 32-70, and occupied by a
575 business organization with an average total employment of ten or
576 fewer employees over the six-month period preceding acquisition,
577 such contract for lease may be for an initial minimum term of three
578 years with provisions for the extension of the lease at the request of the
579 lessee for an aggregate term which shall not be less than six years, or
580 the right of the lessee to purchase the facility at any time after the
581 initial three-year term, or both, and may also include the right for the
582 lessee to relocate to other space within the same enterprise zone,
583 provided such space is under the same ownership or control as the
584 originally leased space or if such space is not under such same
585 ownership or control as the originally leased space, permission to
586 relocate is granted by the lessor of such originally leased space, and
587 such relocation shall not extend the duration of benefits granted under
588 the original eligibility certificate. Except as provided in subparagraph
589 (B) of subdivision (1) of this subsection, a manufacturing facility does
590 not include any plant, building, other real property improvement or
591 part thereof used or usable for such purposes which existed before July
592 1, 1978.

593 (e) "Service facility" means a manufacturing facility described in
594 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this
595 section, provided such facility is located outside of an enterprise zone
596 in a targeted investment community.

597 (f) "Authority", "capital reserve fund bond", "commissioner",

598 "department", "industrial project" and "insurance fund" shall have the
599 meaning such words and terms are given in section 32-23d.

600 (g) "Municipality" means any town, city or borough in the state.

601 Sec. 6. Section 32-9r of the general statutes is repealed and the
602 following is substituted in lieu thereof (*Effective October 1, 2011*):

603 (a) Any person may apply to the department for a determination as
604 to whether the facility described in an application qualifies as a
605 manufacturing facility or service facility. Applications for eligibility
606 certificates are to be made on the forms and in the manner prescribed
607 by the department. In evaluating each application the department may
608 require the submission of all books, records, documents, drawings,
609 specifications, certifications and other evidentiary items which it
610 deems appropriate. No eligibility certificate shall be issued after March
611 1, 1991, for a manufacturing facility located in a distressed
612 municipality which does not qualify as a targeted investment
613 community unless the department has issued to the applicant a
614 commitment letter for such facility prior to March 1, 1991.
615 Notwithstanding the provisions of this subsection, an eligibility
616 certificate may be issued by the department after March 1, 1991, for a
617 qualified manufacturing facility acquired, constructed or substantially
618 renovated in a distressed municipality provided the commissioner
619 determines that such acquisition, construction or substantial
620 renovation was initiated prior to March 1, 1991, and was legitimately
621 induced by the prospect of assistance under section 12-217e, as
622 amended by this act, and subdivisions (59) and (60) of section 12-81, as
623 amended by this act, respectively. The department may issue an
624 eligibility certificate for a qualified manufacturing facility or a
625 qualified service facility located in a targeted investment community
626 upon determination by the commissioner (A) that the acquisition,
627 construction or substantial renovation relating to the qualified
628 manufacturing facility or qualified service facility in such community
629 was induced by the prospect of assistance under section 12-217e, as
630 amended by this act, and subdivisions (59) and (60) of said section 12-

81, as amended by this act; and (B) the applicant demonstrates an economic need or there is an economic benefit to the state. Notwithstanding the provisions of this subsection, an eligibility certificate shall be issued by the department after October 1, 2010, for a qualified manufacturing facility located in the airport development zone established pursuant to section 1 of this act, and may be issued by the department after October 1, 2010, for a facility described in subparagraph (D) of subdivision (2) of subsection (d) of section 32-9p, as amended by this act, upon determination by the commissioner (i) that the acquisition, construction or substantial renovation relating to the qualified manufacturing facility or facility described in said subparagraph (D) in the airport development zone was induced by the prospect of assistance under section 12-217e, as amended by this act, and subdivisions (59) and (60) of said section 12-81; and (ii) the applicant demonstrates an economic need and there is an economic benefit to the state. The department shall issue an eligibility certificate if the commissioner determines (1) that the manufacturing facility is located in an enterprise zone designated pursuant to section 32-70 and is a qualified manufacturing facility or (2) that the facility is a plant, building, other real property improvement, or part thereof, which is located in a municipality with an entertainment district designated under section 32-76 or established under section 2 of public act 93-311, and which qualifies as a "manufacturing facility" under subsection (d) of section 32-9p, as amended by this act, in that it is to be used in the production of entertainment products, including multimedia products, or as part of the airing, display or provision of live entertainment for stage or broadcast, including support services such as set manufacturers, scenery makers, sound and video equipment providers and manufacturers, stage and screen writers, providers of capital for the entertainment industry and agents for talent, writers, producers and music properties and technological infrastructure support including, but not limited to, fiber optics, necessary to support multimedia and other entertainment formats, except entertainment provided by or shown at a gambling or gaming facility or a facility whose primary business is the sale or serving of alcoholic beverages.

666 (b) The department shall reach a determination as to the eligibility
667 of a facility within a reasonable time period, but may postpone the
668 determination to the extent required to verify to its satisfaction that
669 there is a high likelihood that any proposed facility will actually be
670 constructed, expanded, substantially renovated or acquired. Upon a
671 favorable finding, the department shall issue to the applicant a
672 certificate to the effect that the facility concerned is a manufacturing
673 facility or a service facility and is eligible for assistance under section
674 12-217e and subdivisions (59) and (60) of section 12-81, as amended by
675 this act.

676 (c) Upon an unfavorable determination the department shall issue a
677 notice to the applicant to the effect that the facility concerned has been
678 determined not to be a manufacturing facility or a service facility,
679 together with a statement in reasonable detail as to the reasons for the
680 unfavorable determination. Any aggrieved applicant shall be afforded
681 an opportunity for a public hearing on the matter within thirty days
682 following issuance of the notice. The department shall reconsider the
683 application based upon the information presented at the public
684 hearing and reaffirm or change its earlier determination within ten
685 days of the hearing.

686 (d) The decision of the department to issue an eligibility certificate
687 or to deny an application for the issuance of an eligibility certificate
688 either upon the expiration of thirty days without a public hearing
689 following an initial unfavorable determination or upon any
690 reconsideration of the application pursuant to subsection (c) of this
691 section is conclusive and final as to the matters thereby decided, and
692 chapter 54 shall not apply to the administrative determinations
693 authorized to be made by this section.

694 (e) Any person who claims a benefit under section 12-217e or
695 subdivisions (59) and (60) of section 12-81, as amended by this act,
696 shall notify the department of any change in fact or circumstance
697 which may bear upon the continued qualification as a manufacturing
698 facility or a service facility for which an eligibility certificate has been

699 issued. Upon receipt of such information or upon independent
700 investigation, the department may revoke the eligibility certificate in
701 the manner provided in subsection (c) of this section.

702 (f) The commissioner shall adopt regulations, in accordance with
703 chapter 54, to carry out the provisions of this section. Such regulations
704 shall provide that establishments in the category of business services,
705 as defined in the Standard Industrial Classification Manual, or
706 manufacturing facilities, as defined in subsection (d) of section 32-9p,
707 as amended by this act, may be eligible for a certificate if they are
708 located in an enterprise zone.

709 Sec. 7. Section 32-9s of the general statutes is repealed and the
710 following is substituted in lieu thereof (*Effective October 1, 2011*):

711 The state shall make an annual grant payment to each municipality,
712 to each district, as defined in section 7-325, which is located in a
713 distressed municipality, targeted investment community, [or]
714 enterprise zone or municipality within the airport development zone
715 established pursuant to section 1 of this act and to each special services
716 district created pursuant to chapter 105a which is located in a
717 distressed municipality, targeted investment community or enterprise
718 zone in the amount of fifty per cent of the amount of that tax revenue
719 which the municipality or district would have received except for the
720 provisions of subdivisions (59) [and (60)] and (70)] of section 12-81,
721 as amended by this act, or subdivision (70) of said section 12-81. On or
722 before the first day of August of each year, each municipality and
723 district shall file a claim with the Secretary of the Office of Policy and
724 Management for the amount of such grant payment to which such
725 municipality or district is entitled under this section. The claim shall be
726 made on forms prescribed by the secretary and shall be accompanied
727 by such supporting information as the secretary may require. Any
728 municipality or district which neglects to transmit to the secretary such
729 claim and supporting documentation as required by this section shall
730 forfeit two hundred fifty dollars to the state, provided the secretary
731 may waive such forfeiture in accordance with procedures and

standards adopted by regulation in accordance with chapter 54. The secretary shall review each such claim as provided in section 12-120b. Any claimant aggrieved by the results of the secretary's review shall have the rights of appeal as set forth in section 12-120b. The secretary shall, on or before the December fifteenth next succeeding the deadline for the receipt of such claims, certify to the Comptroller the amount due under this section, including any modification of such claim made prior to December fifteenth, to each municipality or district which has made a claim under the provisions of this section. The Comptroller shall draw an order on the Treasurer on or before the fifth business day following December fifteenth, and the Treasurer shall pay the amount thereof to each such municipality or district on or before the following December thirty-first. If any modification is made as the result of the provisions of this section on or after the December first following the date on which the municipality or district has provided the amount of tax revenue in question, any adjustment to the amount due to any municipality or district for the period for which such modification was made shall be made in the next payment the Treasurer shall make to such municipality or district pursuant to this section. In the fiscal year commencing July 1, 2003, and in each fiscal year thereafter, the amount of the grant payable to each municipality and district in accordance with this section shall be reduced proportionately in the event that the total amount of the grants payable to all municipalities and districts exceeds the amount appropriated."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011, and applicable to assessment years commencing on or after October 1, 2012</i>	12-81(59)

Sec. 3	<i>October 1, 2011, and applicable to assessment years commencing on or after October 1, 2012</i>	12-81(60)
Sec. 4	<i>October 1, 2011, and applicable to income years commencing on or after January 1, 2013</i>	12-217e
Sec. 5	<i>October 1, 2011</i>	32-9p
Sec. 6	<i>October 1, 2011</i>	32-9r
Sec. 7	<i>October 1, 2011</i>	32-9s